

OREGON STATE BAR

Board of Governors Agenda

Meeting Date: June 20-21, 2019
From: Amber Hollister, General Counsel
Re: CSF Claim No. 2019-15 Deveny (Palacios)

Action Requested

Consider Client Security Fund Committee's recommendation that the board grant claimant Eloisa Palacios's claim of \$16,661.27 in the matter of CSF Claim No. 2019-15 Deveny (Palacios).

Discussion

Claimant Palacios hired Ms. Deveny on December 18, 2014 to represent her in obtaining damages for injuries sustained in a January 2014 motor vehicle accident. She agreed to a contingent fee agreement, in which Ms. Deveny was to receive one-third of any settlement.

In December 2015, Ms. Deveny settled the case for \$24,991.90, without Ms. Palacios's knowledge or consent. Ms. Palacios received no settlement funds, and has approximately \$13,400 in outstanding medical bills. Based on the fee agreement, Ms. Palacios should have received \$16,661.27 of the settlement.

Ms. Palacios was unable to retrieve her file, so bar staff requested and obtained the file from USAA insurance. The insurance file confirmed the settlement timing and amount.

Ms. Deveny resigned Form B, effective July 26, 2018, while numerous disciplinary cases were pending. In 2018, Ms. Palacios was under the impression her case was still pending until the Portland Police Department contacted her about Ms. Deveny's alleged theft. Some of Ms. Palacios's medical bills have been paid, but some remain outstanding; Ms. Palacios did not receive any of her settlement proceeds from Ms. Deveny.

At its May 11, 2019 meeting, the Client Security Fund Committee reviewed Ms. Palacios's claim and unanimously voted to recommend that the Board reimburse her for \$16,661.27 of her loss. Ms. Palacios's claim would not ordinarily be eligible for reimbursement at this time, pursuant CSF Rule 2.1.6, because Ms. Deveny has not been found guilty of a crime and Ms. Palacios has not obtained a civil judgment against her. The Committee, however, voted to waive the requirement of CSF Rule 2.1.6 based on extreme hardship under CSF Rule 2.6, based upon her circumstances and the available evidence.

Staff recommends that the board approve the claim for \$16,661.27, consistent with the CSF Committee's recommendation.